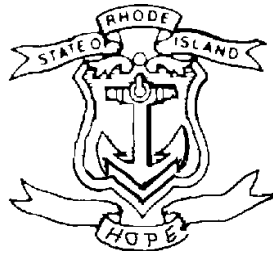


# STATE OF RHODE ISLAND

## DIVISION OF TAXATION



### HANDBOOK FOR ELECTRONIC FILERS OF INDIVIDUAL INCOME TAX RETURNS (TAX YEAR 2003)

RI – 1345



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## **PURPOSE**

### **- Introduction**

The Publication RI-1345, (Handbook for Electronic Filers of Individual Income Tax Returns) revision 2004, provides you with the information you need to apply to participate in the Rhode Island Electronic Filing (ELF) Program.

It starts with an overview of the ELF Program, categories of the Electronic Filers; explanations of the application and acceptance processes; a description of electronic returns and how they are filed; and general information an Electronic Filer needs to know to respond to clients' questions.

The RI Division of Taxation will accept electronically transmitted individual income tax refund, balance due or zero balance returns beginning on January 19, 2004 in the Federal/State Electronic Filing Program.

The RI Handbook is to be used in conjunction with the IRS Publication 1345. All rules, regulations, and requirements governing tax preparers, transmitters, and originators of returns put forth by the IRS are in effect for the RI Division of Taxation. The RI Handbook sets forth those items that are specifically unique to the RI Division of Taxation since most functions in the Federal/State Electronic Filing Program are the same.

The RI Division of Taxation requires that all participants be accepted in the Federal program in order to participate in the Federal/State Electronic Filing Program. Since IRS publication 1345 provides detailed instructions on hardware, transmission procedures, policies, etc., that apply to the RI program, it is recommended that all participants study the federal publication prior to reading the RI Handbook.

### **Electronic Filing Calendar - Tax Year 2003**

Tax Return Period. . . . . January 1, 2003 to December 31, 2003

RI Begins to Accept Test Transmissions . . . . . November 17, 2003

Begin Transmitting Live Electronic Returns . . . . . January 19, 2004

Last Date for Timely Filed Returns . . . . . April 15, 2004

**Last Date for Late Filed Returns . . . . . October 22, 2004**

Retention of ACK File Materials . . . . . December 31, 2004

Retention of Electronic Return Related Materials... . December 31, 2004

## **- FEDERAL/STATE ELECTRONIC FILING**

### **General Information**

1. Federal/State Electronic Filing is a cooperative one-stop income tax filing program which allows the filing of federal and state income tax returns electronically. The benefits of one-stop filing provide a win-win situation for all participants, for example:
  - a. The primary benefit to taxpayers using Federal/State Electronic Filing is the quick and accurate processing of federal and state returns, return acknowledgments at both federal and state level, federal direct deposits, and the file-now and pay by April 15 option available for balance due filers.
  - b. Electronic Filers can offer taxpayers a new service. The ease of one-stop electronic filing, encourages increased participation from the taxpayers.
  - c. States benefit from the increased data accuracy and the processing efficiencies of electronic filing.
  - d. The IRS through Federal/State Electronic Filing promotes wider acceptance and use of Electronic Filing as the normal way of doing business throughout the country.

### **Free File**

Free file is online tax preparation and electronic filing through a partnership agreement between the IRS and the Free File Alliance, LLC." Seven of these companies are also offering free RI filing. The Free File Web page lists the Free File Alliance members and their free services [www.irs.gov/app/freeFile/welcome.jsp](http://www.irs.gov/app/freeFile/welcome.jsp)

### **EXCLUSIONS FROM ELECTRONIC FILING**

The following are excluded from the RI electronic filing program.

- Extension
- Debit Accounts
- Any return excluded by IRS publication 1345

## **- ACCEPTANCE IN THE ELECTRONIC FILING PROGRAM**

### **- General Information**

1. To participate in the 2004 Electronic Filing Program, you must submit Form 8633, Application to Participate in the Electronic Filing Program to the IRS.  
Submit your application to the Andover Service Center as shown on Form 8633.
2. Once you have been accepted by the IRS, Rhode Island will download the federal database, And run an internal suitability check. **No separate application is required for RI.**
3. If an Electronic Return Originator (ERO) is located outside of Rhode Island, the ERO should provide the state coordinator a copy of the IRS Form 8633 and the IRS acceptance letter in order to register with Rhode Island

### **Once You Have Been Accepted As An Electronic Filer**

1. Accepted Electronic Filers can begin transmitting "live" returns on Monday 19, 2004.

# ***RI ELECTRONIC FILING PROGRAM***

## **Where to Transmit Federal/State Returns**

1. All Federal/State Returns must be transmitted to the Andover Electronic Filing Service Center  
Rhode Island will not accept returns transmitted directly to the Division of Taxation.

## **Testing RI**

1. For state returns, RI will test software developers using a state provided test package.
2. RI will allow concurrent testing allowing software developers to begin state testing prior to obtaining acceptance from IRS for completing the federal participants acceptance process. The rules for “concurrent state testing” are as follows:
  - a. State testing can begin after the software developer has 15 federal returns accepted with no error “reject codes” at their primary service center.
  - b. Software developers must schedule testing with the state coordinator and create the state required test scenarios.
  - c. The state coordinator will schedule testing for software developers with the IRS service center.
  - d. The state coordinator will respond to any problems encountered by the software developer on state returns during the state Participants Acceptance Testing.
4. The IRS will perform limited testing on the state generic and unformatted records. If these records are not rejected through the automatic checks in the IRS software, the IRS will make the state data available to RI for further testing.
5. The IRS will not perform a comparison run to look at specific state data. RI will test the state data and provide feedback to electronic filers..
6. RI will not allow testing after 1/19/04

## ***-RI ACKNOWLEDGMENT/REJECT RESOLUTION PROCEDURES***

Program participants that are required to directly access the centralized state acknowledgment system to retrieve their state acknowledgments will be required to register with the new service provider. You should be aware that there will be a nominal fee charged by the service provider for use of the Centralized State Acknowledgment System.

### **How to Register**

You can call the Centralized State Acknowledgment System (Stack) Help Desk at 828-349-5750 to request an application (or you can use the enclosed Centralized State Acknowledgment System (Stack) Registration Form). Then mail it (or fax it to 828-348-5945). You may also register with the new service provider through <http://www.state-ack.net>.

### ***Please Note:***

The RI Acknowledgment system is designed to inform transmitters that the state return data has been retrieved and is being processed by the RI Division of Taxation. The RI Acknowledgment System is separate from the Federal Acknowledgment System.

- . RI's help desk can be reached at (401) 222-4091
- . Electronic return files transmitted and accepted will normally be acknowledged within two workdays of receipt, and the state packet will be available to the state for retrieval within twenty-four hours of IRS acknowledgment. RI acknowledgments should be available within two business days after IRS acknowledgment
- . Once the RI state packet has been accepted by the IRS for state retrieval, filers will need to contact RI to resolve taxpayer problems.

Taxpayer inquiries on refund delays for RI returns should be directed to the Taxpayer Assistance section (401) 222-1040

### **- *What Can Be Found In The Acknowledgment (ACK) File***

PENDING

## **REFUND DELAYS**

### **- General Information**

1. The following conditions may delay refunds and/or change refund amounts.
  - a. taxpayer owes back taxes, either individual or business (refund offset);
  - b. taxpayer owes delinquent child support (refund offset);
  - c. taxpayer has a delinquent debt, such as student loans, etc. (refund offset);
2. The Estimated Tax Payments reported on the return do not match the Estimated Tax Payments recorded on the RI Master File.

## **Non Receipt Of Refunds**

1. A refund can be expected to be issued within 4 weeks from the date an electronic return is accepted by the State of RI. Two weeks is the average turnaround
2. Certain account information, including the status of a refund, will be available while an electronic return is being processed by calling the Taxpayer Assistance Section of the RI Division of Taxation at (401) 222-1040 .

## ***DIRECT DEPOSIT***

### **DIRECT DEPOSIT IS AVAILABLE TO ELECTRONIC FILERS ONLY**

Taxpayer's who file electronically and select direct deposit can have the refund deposited directly into bank account of any U. S. Depository Institution.

Here's how electronic filers can select direct deposit

Tell us whether you want your refund automatically deposited, by checking the box on Part II of the Declaration of Taxpayer.

Make sure your Financial Institution will accept direct deposit.

ERO should have acceptable proof of account ownership (ie; a check, or other statement generated by the financial institution that has the taxpayer's name and account number preprinted on it).

Taxpayer needs bank Routing Transit Number (RTN). This is 9-digit number is a bank identification number and depositor account number (DAN).

The depositor account number (DAN) can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused box blank. The Routing Transit Number (RTN) and the Depositor Account Number (DAN), should be located at the bottom left of your check. If there is any doubt about the RTN, the taxpayer should contact the financial institution and ask for the correct RTN for direct deposit. Do not use a deposit slip to verify the RTN.

The account designated to receive the direct deposit must be in your name .If you are married filing jointly, the account can be in either name or both your names. If you are married filing separately, the account can be in your name or in both your name and your spouse's name.

**The Division of Taxation is not responsible when a financial institution refuses a direct deposit. If a refund cannot be directly deposited into an account, Division of Taxation will issue a refund check. Please allow 3-4 weeks at peak season for the replacement check to be issued.**

## **General Information**

Effective January 1, 2002 the State of Rhode Island will no longer require form RI 8453 to be submitted by a paid preparer .

**- Effective January 1, 2003 the State of Rhode Island will no longer require form RI 8453 OL to be submitted. The form RI 8453OL must be retained with the W-2's.**

### **- Credit For Income Taxes Paid To Another State**

Rhode Island is accepting credit for income taxes paid to another state-Rhode Island Residents Only.

### **- Nonresident and Part-Year**

Rhode Island will be accepting Nonresident and Part-Year returns.

### **- Where To Mail**

RI Division of Taxation  
Attn.: ELF  
One Capitol Hill  
Providence RI 02908

## **- BALANCE DUE RETURNS**

### **- General Information**

1. The RI Division of Taxation will accept electronically filed balance due returns.
2. Electronic Filers must furnish Form 1040-V, Payment Voucher, to a taxpayer who electronically files a balance due return.
3. A balance due reminder notice will be generated to taxpayers who file electronically and owe the State of Rhode Island. It will contain a tear-off stub which may be used as a payment voucher.
4. Electronic Return Originators (EROs) must tell taxpayers that payment of taxes due should be made no later than April 15, 2004. If taxpayers do not make full payment of income tax due on or before April 15, 2004, they will be sent a notice that is a request for payment. This notice will show tax due, plus interest and penalty for late payment. If a taxpayer receives this notice, but has proof of full payment of tax due on or before April 15, 2004 the notice can be disregarded.
5. For a limited supply of Forms 1040-V, call the RI Division of Taxation, Help Desk.

### **- Installment Agreement Request**

1. Taxpayers who cannot pay the amount they owe in full by April 15, 2004, may wish to request an installment agreement. This can be done by completing Form RI-9465, Installment Agreement Request.

### **-Payment By Credit Card**

You may use your American Express Card, Discover Card, Visa Card or MasterCard. To pay by credit card, call toll free 1-800-272-9829 or access by Internet [www.officialpayments.com](http://www.officialpayments.com). After authorization of your payment, you will be issued a confirmation number to keep for your records. Official Payments Corp, charges the consumer a convenience fee of 2.5% of the payment amount for this service. You may also use this method of making 2004 Rhode Island estimated income tax payments.



## **- FILING AN ELECTRONIC RETURN**

### **- Composition Of An Electronic Return**

1. An electronic return consists of:
  - a. data transmitted to the Division of Taxation electronically;
  - b. paper documents which contain information that cannot be electronically transmitted, such as taxpayer (signatures, documents prepared by third parties, etc.); and
  - c. does not include forms or schedules which are not accepted by the Electronic Filing System.
2. In total, an electronic return contains the same information as a comparable return filed entirely on paper documents.

## **STATE OF RHODE ISLAND**

### **FED/STATE ELECTRONIC FILING PROGRAM**

#### **Contact:**

Susan M. Galvin  
Chief Revenue Agent.  
(401) 222-2263  
(401) 222-6288 FAX

E-Mail address [galvins@tax.state.ri.us](mailto:galvins@tax.state.ri.us)

Paola Laorenza  
Revenue Officer II  
401-222-4091  
401-222-6288 FAX

E-mail: [mlaorenza@tax.state.ri.us](mailto:milaorenza@tax.state.ri.us)

#### **Mailing Address:**

Division of Taxation

Rev 06/20/03

Attn.: ELF  
One Capitol Hill  
Providence RI 029098-5800

**WEB site:**

[HTTP://WWW.TAX.STATE.RI.US](http://WWW.TAX.STATE.RI.US)

State of Rhode Island and Providence Plantations  
Department of Administration  
Division of Taxation  
One Capitol Hill  
Providence RI 02908